GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1840
ANSWERED ON:08.03.2001
IMPROVEMENT IN POWER SITUATION
RAMPAL SINGH

Will the Minister of POWER be pleased to state:

(a) whether targets fixed for Five Year Plan to improve the power situation has not been achieved;

(b) if not, the reasons therefor;

(c) whether the Government propose to prepare any new scheme for increasing power generation and bring improvement in its distribution; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : A target of 40245.2 MW was envisaged for the 9th Plan. However, a midterm review of the capacity addition for 9th Plan, carried out in July, 1999 indicated a likely capacity addition of 28097.2 MW during the 9th Plan. A subsequent review was conducted by the Government during January, 2001, and it was observed that a capacity addition of 20891.57 MW was likely in the 9th Plan. The break-up is as under :

(In MW)

	Central Sector	Private Sector	State Sector	Total
Thermal	3294	6735.20	4941.67	14970.87
Hydro	790	0.00	4250.70	5040.70
Nuclear	880	0.0	0.0	880
Total	4964	6735.20	9192.37	20891.57

(b) : The reasons that have adversely affected the progress of projects are :

(i) Delayed financial closures of private sector projects due to non-availability of escrow.

(ii) Flash floods.

(iii) Delay in land acquisition.

(iv) Relief & Rehabilitation problems and environment related issues.

(v) Law and order problems.

(vi) Hike in gas and naphtha prices in concert with oil prices in the international markets adversely affecting the viability of LNG and liquid fuel based projects.

(vii) Contractual problems.

(viii) Inter-State disputes in respect of hydro projects.

(c) & (d) : The Government is closely monitoring the ongoing projects through the Empowered Committee and various Task Forces which have been set up for this purpose. For private sector projects, the government has constituted a Crisis Resolution Group to resolve the `last mile` problems. To improve availability of power and generation capacity and to make optimal use of the available power resources in the country, the following measures have been taken :

(i) Expeditious implementation of capacity addition programme.

(ii) Liberalization of investment procedures.

(iii) Promotion of measures for demand side management.

(iv) Renovation and modernisation of existing generating units.

(v) Disbursement of loans by Power Finance Corporation for improving operation and maintenance of thermal power stations under the Accelerated Generation Programme.

(vi) Promotion of inter-state and inter-regional power transfers.

(vii) Coordinated operation of Hydro, thermal, nuclear and gas turbine power stations in the regional power system.

(ix) Augmentation of transmission, transformation capacity in the power system and installation of shunt capacitors to improve the voltage.

(x) Reduction of transmission and distribution losses.

For strengthening the sub-transmission and distribution systems and also for assisting Renovation and Modernisation programmes, the Government has initiated the Accelerated Power Development Programme (APDP) this year with a budgetary outlay of Rs.1000 crore.

The Government has also initiated and evolved a national consensus on power sector reforms to improve the financial health of the power utilities in the States. A conference of Chief Ministers and State Power Ministers on Power Sector reforms was held in New Delhi on 3rd March, 2001 and took a series of decisions to accelerate reform and to restore the financial health of the power sector. It was inaugurated by the Prime Minister.